

Improving Financial Management and Forecasting

Board Meeting
April 23, 2014

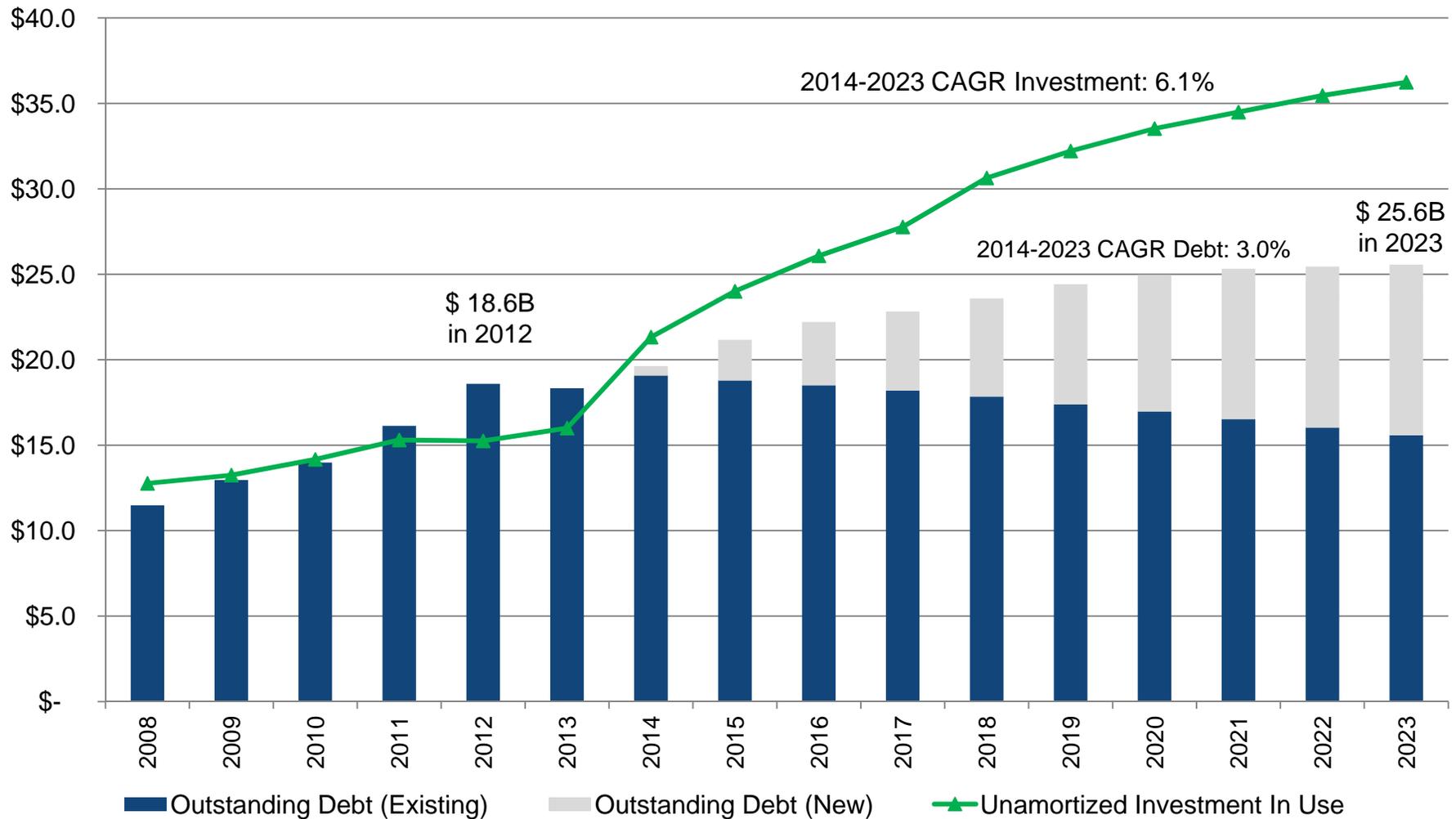
Financial Planning with a long-range perspective based on reasonable assumptions

- The 2014 annual budget and the 2014-2023 Capital Plan approved by the Board of Commissioners in February, were developed with a long-range perspective of the capital capacity and fiscal conditions of the Port Authority
- The Committee on Finance has overseen the development of an integrated long-term financial model, that is monitored quarterly
- This model utilizes baseline assumptions and conservative financial metrics that allow us to invest in our assets while maintaining our credit quality
- The quarterly monitoring process provides lead time to react to trends and adjust spending or the Capital Plan as appropriate

Financial strategies over the next decade

- Align financial management with agency's business and capital priorities
- Improve transparency in long-term planning period
- Use conservative assumptions, including:
 - no leverage of non-recurring revenues
 - Increase percentage of pay-as-you-go financing and lower percentage of borrowing on the 10-year period
- Equip the Board of Commissioners and executive management with the ability to react to trends and adjust capital or other spending as required
- Maintain our strong credit profile and access to capital markets

Investment in facilities continues to grow through the period, while outstanding debt remains relatively stable



* Outstanding Debt includes Consolidated Bonds and Notes, Commercial Paper Notes, Variable Rate Master Notes and Port Authority Equipment Notes